

BUSINESS DAY

BioScience in the black

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BIOSCIENCE, which took over brands from the embattled and now- defunct Wellco, has reported a profit after restructuring. The old Wellco had been loss-making since at least 2005. BioScience took over the Wellco shell in October, and Bioharmony and Muscle Science in December. Brands include KGB and Herbology, with Bioharmony and Muscle Science acquired from Enaleni Pharmaceuticals. CEO Mike Allan said yesterday the company had finished restructuring and the “pain” was behind it. Bioscience was in a position to grow as its three businesses had been consolidated. For the six months to August, Wellco had reported revenue of R3m and a net loss of R6,1m. However, under the new banner the company has reported revenue of R38m and a profit of R126561. This translated into negligible earnings per share of 0,00007c.

Allan said the company was completely different to what it had been before and had turned the corner. How fast it could go would depend on consumer spending. It had not been easy “having this global tsunami in the middle”, and the next six months would provide the real comparison. Allan said the group had promising prospects despite the expected further downturn in retail. The first week of this month was the best sales week of the financial year to date, at a time when retailers traditionally destocked before their February year-ends. This made it difficult to predict when an expected further deterioration in retail would affect the nutritional supplements market. In addition, said Allan, the company owned trusted brands that should fare well in a downturn.

Bioscience, which develops and markets consumer brands in complementary medicines, sports nutrition and fast-moving consumer goods, also aimed to develop enough mass for it to be able to negotiate with retailers. The company had consolidated almost 20 Bioharmony and Muscle Science representatives “into a team of professional salespeople”. It had consolidated the finance and supply chain functions at the old Muscle Science head office in Durban and was relaunching the Herbology product range.